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C O N F I D E N T I A L SECTION 01 OF 02 BAGHDAD 001291

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TAGS: ECON ECPS FINT

SUBJECT: ACTING COMMUNICATIONS MINISTER SHOWS LITTLE
PASSION FOR PUSHING PRIORITIES

REF: STATE 25680

Classified By: Economic Minister Charles P. Ries for reasons 1.4 (b) an
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¶1. SUMMARY: (C) Acting Minister of Communications (and fulltime Minister of Youth and Sport) Jasim Mohammed Jafar (UIA/Iraqi Turkmen Front) told Econoffs April 21 that he planned to continue in his current roles at least until August 2008. Jafar said he did not think Prime Minister Nuri al-Maliki would appoint a new Communications Minister at least until ongoing talks with Tawafiq and others yielded a new cabinet. Jafar opined that the KDP may try to block the appointment to the Communications and Media Commission (CMC) of Jowan Massum (PUK), who has been angling for a CMC job. He said his priorities as Acting Minister would be to execute 25 percent of the Ministry of Communications (MOC) budget by the end of his expected term and to work on communications-related projects funded by the World Bank, the Japanese Bank for International Cooperation (JBIC), and Iran.

Jafar perked up when Econoffs described the revenue-generating potential for the MOC if Iraq provided an overland fiber optic link between Europe and the international undersea communications cable system, but he peppered with "Insha'Allahs" the timelines he mentioned for taking the steps needed to establish such a connection. Though seemingly sincere, Jafar is a flaccid leader at the MOC. Meaningful progress on key USG priorities for the MOC--e.g., signing a cross-border telecommunications interconnection agreement with Turkey (reftel), developing a southern gateway to the international undersea cable network, and privatizing operations and maintenance for Iraq's core communications networks--will require either a new Communications Minister or direct involvement from PM Maliki or Deputy Prime Minister Barham Saleh. END SUMMARY.

KEY COMMS POSITIONS TO REMAIN VACANT THROUGH SUMMER

¶2. (C) In a cordial meeting at his residence, Jafar appeared relaxed but tired. Sitting alongside his Deputy Minister of Communications for Technical Affairs, Amir Bayati, Jafar noted that doing double duty as Minister of Youth and Sport and of Communications was taking its toll on him. He did not think help would be on the way at least until August. Jafar predicted that PM Maliki would not appoint a new Minister of Communications (or Minister of Justice, he added) until negotiations with Tawafiq and other parties yielded an entirely new cabinet. Jafar suggested that Tawafiq's demands would carry significant weight in the composition of any new cabinet but that Ayad Allawi's inflexibility on certain demands would keep Iraqiyya in the opposition. Jafar said that the immediate past Minister of Communications, Mohammed Allawi, who is Ayad Allawi's cousin, would therefore not likely be returning to the MOC.

¶3. (C) Jafar did not think the GOI would nominate a

replacement for Siyamind Othman--a PUK-affiliated Kurd who resigned as Chairman of the CMC eight days before his term officially ended on April 18--until the parties agreed upon a new cabinet. Econoffs noted rumors that Jowan Massum (PUK), a former Minister of Communications, is seeking an appointment to the CMC, but Jafar thought her nomination unlikely. He opined that the Barzani-family affiliated, Kurdistan-based mobile telecoms provider Korek had felt mistreated by the CMC under Othman's leadership and that perhaps the KDP would try to block the nomination of any other PUK member to chair the commission.

LIMITED AMBITIONS FOR THE MOC

¶4. (C) Jafar outlined his priorities for the MOC while he remains Acting Minister. He thought it a reasonable goal for the MOC to execute 25 percent of its ID 300 billion (approximately USD 250 million) budget for 2008 by August. He said other priorities would include progress on two microwave tower construction projects, one funded by the World Bank and another by the JBIC. A third priority would be to begin implementing USD 180 million in Iranian assistance directed toward the communications sector. (NOTE: The Iranian communications-related assistance is part of broader package of soft loans. The loan package has not yet been approved by the Council of Representatives. If approved, early indications are that the funds would be used to improve Iraq's telecommunications infrastructure in Baghdad and the southern provinces. END NOTE.)

¶5. (C) Econoffs reminded Jafar that the MOC had a great opportunity to transform Iraq into a regional linchpin for

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global telecommunications. By establishing a connection between terrestrial fiber optic cables in Turkey and undersea communications cables in the Persian Gulf, Iraq could be a critical, redundancy-providing pathway for voice and data traffic between Europe and Asia. The MOC would need, among other things, to (a) sign a bilateral interconnection agreement with Turkey and invest minimally to connect the countries' fiber optic backbones, (b) move forward on one of two (or both) contracts the MOC has signed to connect Iraq's backbone to the undersea cable network in the Gulf, and (c) sign an operations and maintenance (O&M) contract with a reputable firm to ensure Iraq's backbone remains operational to bridge the divide.

¶6. (C) Econoffs showed Jafar with some quick calculations that, if its current fiber optic backbone were fully operational, the MOC could clear USD 30 million per year by selling bandwidth to telecoms companies eager for system redundancy as a hedge against cuts to undersea cables, which pass from the Mediterranean through the Red Sea to the Indian Ocean, degrading international service, as happened on January 31, 2008. Jafar's raised his eyebrows with interest, and he agreed that cross-border connections and O&M contracts for Iraq's fiber optic backbone would be necessary for the MOC's Iraq Telephone and Postal Company (ITPC) to be competitive. Jafar said, however, that "Insha'Allah" MOC officials would meet with their Turkish counterparts in "the next few weeks" to work on the technical details of linking the countries' networks and that "Insha'Allah" they would meet again "a few weeks after that" to sign an interconnection agreement. Econoffs noted that time was of the essence because other countries and companies in the region were also looking to establish overland fiber optic links between Europe and Asia. "Insha'Allah," Jafar said nodding.

¶7. (C) Jafar was a little more enthusiastic about the concept of signing O&M contracts with private firms to take care of Iraq's fiber optic backbone network and other assets. Econoffs noted that the Embassy's Iraq Transition Assistance

Organization (ITAO) was helping the MOC's other big state owned enterprise, the State Company for Internet Services (SCIS), draft a scope of work to solicit proposals to provide O&M for SCIS's USG-funded wireless broadband network (WBBN) and video teleconferencing (VTC) system. Econoffs told Jafar that SCIS's experience with an O&M contract for the WBBN and the VTC system--which would include a requirement that the contractor train SCIS staff--could serve as a model for ITPC, which could likewise hire private firms to get its assets reliably up and running while training ITPC's engineers to do the work once the O&M contract term ends. Jafar said he liked the idea and agreed to discuss it further with ITAO. Econoffs also advised him that the USG's Procurement Assistance Center could serve as a valuable resource for ITPC and SCIS in contracting private firms for O&M and training.

COMMENT

¶ 8. (C) Jafar seems sincere and well meaning, but he is an uninspired leader at the MOC. A civil engineer by training and a former Minister of Construction and Housing under the Iraq Transitional Government, he is a technocrat thrust into leadership positions at two Ministries about which he knows little. When talking about the MOC he leaves the impression that he would rather not be responsible for it all. Meaningful progress on USG priorities for the MOC appears unlikely until the GOI appoints a new Communications Minister, or clear marching orders come to Jafar from PM Maliki or DPM Barham Saleh.
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